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TROPICAL PRODUCTS  
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June 1962

## WORLD TEA PRODUCTION AND TRADE

### EXPECTED TO RISE IN 1962



Growth Through Agricultural Progress

### Summary

The 1962 world tea crop is forecast by the Foreign Agricultural Service at 2,255 million pounds, or 2.5 percent over 1961. This is a continuation of recent trends in production, and is accompanied by increased trade and consumption.

In 1961, India, Ceylon, Pakistan and Japan showed increases, while drought reduced Indonesian production. Production in Northern India and Pakistan recovered from the 1960 drought which mainly affected the young tea plantings. Tea production in Africa continued to rise with the exception in the Republic of the Congo where conditions were unsettled, and in Kenya because of drought in the first part and floods in the latter part of the season. Latin American production continued to rise, especially in Argentina.

World exports of tea in 1961 are estimated at about 1,242 million pounds, slightly higher than the 1958 record. India and Ceylon were among the leaders in the export rise and most of the African and Latin American tea producing countries are continuing to expand their exports. The United Kingdom continued as the world's largest importer of tea.

### Production

Asia: In India, the world's largest tea producer, the estimated 1962 production of 795 million pounds will surpass the record of 771.1 million pounds in 1961.

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This Circular contains more detailed information than the summary of similar title published in the monthly supplemental issue of Foreign Crops and Markets of May 31, 1962.

TEA: Estimated world production, 1962 with comparisons

Continent and country	Average 1950-54	1959	1960	1961 1/	Forecast 1962
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Asia:					
Ceylon .....	331,822	413,130	434,709	455,200	475,000
China .....	170,504	337,000	350,000	348,000	340,000
Federation of Malaya ...	3,913	5,360	5,484	5,600	5,700
India .....	624,604	714,478	697,088	771,120	795,000
Indonesia 2/.....	89,571	97,400	101,722	90,389	98,000
Iran .....	12,362	15,400	16,300	17,000	17,500
Japan .....	117,805	175,219	171,002	179,437	183,400
Pakistan .....	52,896	57,971	41,947	58,070	56,000
Taiwan .....	24,974	36,391	38,283	41,954	43,500
Turkey .....	968	9,259	10,000	11,000	12,000
U.S.S.R. ....	N.A.	74,956	83,100	83,775	84,000
Vietnam (South).....	4,115	11,096	8,800	9,000	9,000
Total Asia .....	1,433,534	1,947,660	1,958,435	2,070,545	2,119,100
Africa:					
Kenya .....	15,094	27,867	30,371	27,869	30,000
Mauritius .....	908	1,997	1,733	2,000	2,100
Mozambique .....	7,902	17,992	19,897	22,487	23,500
Congo, Republic of the .	914	8,228	8,000	7,500	7,000
Tanganyika .....	2,600	8,155	8,206	9,480	10,100
Fed. of Rhodesia & Nyasaland.....	16,188	26,436	28,274	33,497	35,000
Uganda .....	4,664	9,759	10,291	9,856	10,000
Other Africa .....	264	361	410	450	500
Total Africa .....	48,354	100,795	107,182	113,139	118,200
South America:					
Argentina .....	946	9,900	10,000	12,000	13,000
Brazil .....	1,596	1,675	1,700	1,750	1,800
Peru .....	1,228	2,354	2,425	2,535	2,600
Total South America .....	3,770	13,929	14,125	16,285	17,400
World Total .....	1,485,838	2,062,384	2,079,742	2,119,969	2,254,700

1/ Preliminary

2/ Does not include smallholders production for home use.

Foreign Agricultural Service. Official estimates of foreign governments. Other foreign source material, reports of Agricultural Attaches and other U.S. representatives abroad, International Tea Committee, and other information.

The target of 900 million pounds by the end of the 1965-66 season may be easily achieved if this trend continues. The 1960 crop deviated from this trend because of drought. Based on the 1961 increase over 1959, a fairly normal year, the annual increase is about 27 million pounds.

Tea production is one of the most efficiently managed agricultural enterprises in India, and the weather, the most unpredictable production variable, can make or break the 900-million-pound goal. The other production variables, fertilizer supplies, labor, fuel supplies and plant diseases are expected to be less troublesome in future years. Some representatives of the tea trade are doubtful about Indian tea production reaching the 900-million-pound goal set for the last year of the current 5-Year Plan.

The price slump in Indian tea in 1961, which hit a 4-year low in November and December, was caused by the record tea output. The lack of quality, caused by excessive rains, also contributed to the price decline.

In Northern India the Darjeeling and Dooar tea areas were affected by dry weather in April and May 1961 followed by too much rain in June. These weather factors affected the quality of the tea leaf and the trade claims that the color and flavor usually expected of Darjeeling teas was deficient in many cases, while in the Dooars area blenders complained of excessive stalk and fiber, and undesirable flavors. In the Assam Valley, 1961 production increased twice as much as it declined in 1960 although low quality adversely affected the price received in the latter part of the season. Torrential rains and floods in July, in Southern Mysore and the Malabar-Wynaad Districts of Kerala, with resulting poorer quality of leaf affected prices received in the Cochin auctions in August.

Ceylon production in 1962 is estimated at 475 million pounds, or 20 million pounds above the 1961 record. Factors in the increase of production were the adoption of better soil conservation methods, the use of fertilizers, intensive cultivation, and replanting with high-yield varieties of tea plants.

Ceylon is well suited for the production of tea and it is doubtful whether any other crop could be grown as well in respect to ecological conditions or would give as large a return. Except for occasional droughts, or frost at higher altitudes, weather conditions are generally favorable for tea in Ceylon. Harvesting the year around ensures full use of manpower and tea processing factories.

The quality and commercial classification of Ceylon tea is determined by the altitude at which it is grown: High-grown (above 4,000 feet), Medium-grown (2,000 - 4,000 feet), and Low-grown (below 2,000 feet). Almost three-fourths of Ceylon tea is grown in the High or Medium altitude areas, and many of these teas command a quality premium on the world markets.



Japan's total tea production for 1962 is estimated at approximately 183.4 million pounds, 4 million over 1961. Tea is harvested 4 times yearly in Japan with the first crop usually representing about one-half of the year's production. Japan's planted area of tea has increased 75 percent in the last 10 years, amounting to 120,570 acres in 1961, a little above the target set for 1969. However, future increase in planted area is expected to be less rapid. About 98 percent of total tea production is green tea, of which 90 percent is domestically consumed. This is sufficient to meet domestic needs which are expected to remain fairly stable with only slight increases due to population growth.

Black tea consumption is increasing in Japan. Plans to expand the production of this type to meet domestic requirements are underway. Currently, the black tea produced in Japan is of poor quality and a large part of domestic requirements have to be imported. Special emphasis is being placed on improved varieties and selection and sites favorable for production.

Indonesia production of estate tea for 1962 is estimated at 98 million pounds. Estates black tea is the type that enters international trade, whereas small-holder production is consumed domestically. So far in 1962 the rains have been abundant but this was not the case in 1961 when drought lowered estate production to about 90.3 million pounds. Indonesia's production potential is good but the outlook is not bright unless factories and machinery are modernized.

Pakistan production in 1962, estimated at 56 million pounds, is slightly below the 58 million pounds produced in 1961, but 15 million pounds higher than the 1960 crop which was affected by acute drought. The Government of Pakistan continues to encourage production and exports to expand foreign exchange earnings and maintain internal prices.

Taiwan estimated tea production of 43.5 million pounds for 1962 is 1.6 million pounds higher than the preliminary 1961 crop of 41.9 million pounds. This increase resulted from technical improvements in production, and to the increase in the plucking area.

The Federation of Malaya tea crop in 1962 is estimated at 5.7 million pounds, slightly higher than the 5.6 million pounds produced in 1961. Production trends in the Federation show only a slight upward movement. Shortage of labor and high production costs are recurrent problems, but average yields compare well with those in other producing countries. Tea is produced the year-round in Malaya and is about evenly divided between highland and lowland tea estates.

Africa: Tanganyika's production of tea in 1962 should be about 10 million pounds. Tea is almost exclusively an estate crop at present, but efforts are being made to encourage native production, for processing at existing factories on the estate.

Kenya production in 1962 may reach 30 million pounds if the damage from the 1961 drought and floods was not too great. New tea plantings in recent years ensure a steady expansion of tea production, and the planned increase from 2,300 acres in 1960 to 11,000 in the next 4 to 5 years will further contribute to this. Considerable new tea processing equipment is being installed. Production in 1961 amounted to 27.8 million pounds, a decrease of 2.5 million from the previous year, due to drought and flood conditions.

The Federation of Rhodesia and Nyasaland could produce 35 million pounds of tea in 1962, exceeding the 1961 record of 33.5 million pounds. Production in Nyasaland rose by about 5.2 million pounds over 1960 due to increased acreage and favorable weather, while production in Southern Rhodesia dropped slightly due to poorly distributed rainfall.

South America: Argentina's production in 1962 is estimated at 13 million pounds. Production in 1961 totaled an estimated 12 million pounds, the result of expanded tea acreage in the mid-fifties coming into full production. Argentina's tea production and exports have expanded considerably in the past 2 years with the adoption of improved processing techniques.

Brazil's and Peru's tea production in 1962 is estimated at 1.8 million, and 2.6 million pounds, respectively. Production in 1961 rose slightly in both countries over the previous year; this modest upward trend is expected to continue.

### Trade

India's tea exports in 1961 totaled approximately 452.5 million pounds, up 22.5 million pounds over 1960, though less than in 1959. Exports, however, are still below the record of 525.6 million pounds in 1956. About 60 percent of India's tea production falls into the lower priced "common tea" category without a larger proportion of quality tea to meet growing export demands.

Some segments of the Indian tea trade fear that should Britain, the largest importer of Indian tea, enter the European Common Market (EEC), it would hurt Indian tea exports. Others view the EEC as a huge potential market for increased tea consumption.

Ceylon, one of the leading exporters of tea, exported 425.7 million pounds in 1961, or 15.9 million pounds over 1960. Ceylon was the largest U. S. source of tea, and the second largest exporter to the United Kingdom in 1961. Ceylon continues to derive the largest portion of its foreign exchange from the sale of tea.

About 10 percent of Japan's green tea is processed for export, with North Africa taking about 70 percent of the total. Japan exports green tea to Morocco in exchange for rock phosphate under a trade agreement renewable annually. Exports of green tea in 1961 amounted to a little more than 14 million pounds, down about 4.6 million pounds from 1960. This decrease was due entirely to a delay in shipments to Morocco. Exports of black tea increased very slightly in 1961, with the largest customers being the United Kingdom, Netherlands, Canada, the United States and Nigeria.

The export of Indonesian tea remains a Government monopoly and exports in 1961 are estimated at 83.8 million pounds compared with 86.4 million pounds in 1960. Almost twice as much tea was exported to the United Kingdom as to Belgium in 1961, whereas in 1960 exports to the 2 countries were almost the same. Australia, West Germany and the United States were the other large purchasers of Indonesian tea.

Pakistan tea trade resumed in 1961 with an estimated 13 million pounds exported. The tea export auctions of the 1960 crop were suspended due to the short crop, resulting in exports of only 4,078 million pounds.

Taiwan tea exports totaled 31.3 million pounds in 1961, compared with 25.2 million pounds in 1960.

The Federation of Rhodesia and Nyasaland tea exports totaled 30.1 million pounds in 1961. This was an increase over 1960, but due to a fall in London tea prices, growers are expected to receive about the same financial return as in 1960. Most of the Southern Rhodesian crop is consumed domestically and the bulk of the Nyasaland tea is exported with over 90 percent going to the United Kingdom.

Mozambique showed an increase in exports of tea, exporting 21.8 million pounds in 1961, compared with 18.1 million pounds in 1960.

Kenya, due to poor weather conditions, exported less tea in 1961 than in 1960, 21.9 million pounds and 23.9 million pounds, respectively.

While Latin American tea exports are small, the trend has been slightly upward over the past few years. Exports from Argentina have risen most rapidly, with a little more than 11 million pounds shipped in 1961. Brazil sold its tea on the London market, for the first time, in 1961.

The United Kingdom is still the world's largest tea importer and consumer. In 1961 it imported 555.6 million pounds, more than one-half of which came from India.

The United States continued to be the world's second largest importer of tea, but purchased 6 million pounds less in 1961 than in 1960.



TEA: United States imports by country of origin, average 1950-54, annual 1956-1961

Country of origin	Average 1950-54	1956	1957	1958	1959	1960	1961 <sup>1/</sup>
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds
North America:							
Canada . . . . .	248,353:	531,523:	701,475:	694,009:	825,028:	962,027:	1,128,664
Jamaica . . . . .	85:	-	-	-	-	-	-
Total . . . . .	248,438:	531,523:	701,475:	694,009:	825,028:	962,027:	1,128,664
Europe:							
France . . . . .	-	-	543:	1,114:	58,581:	-	40,518
Germany, West . . . . .	10:	-	-	-	11,305:	47,065:	47,210
Ireland . . . . .	2,928:	6,000:	-	15,200:	9,640:	8,912:	9,664
Netherlands . . . . .	405,401:	958,760:	1,426,534:	2,568,218:	4,130,514:	2,923,310:	1,455,638
United Kingdom . . . . .	211,434:	560,444:	728,716:	711,507:	3,249,719:	2,325,270:	1,446,087
Others . . . . .	61,154:	22,350:	44,586:	4,117:	450:	-	-
Total . . . . .	680,927:	1,547,554:	2,200,379:	3,300,156:	7,460,209:	5,304,557:	2,999,117
South America:							
Argentina . . . . .	-	-	-	-	-	159,938:	252,541
Brazil . . . . .	379,078:	132,065:	288,484:	377,650:	362,083:	803,438:	634,656
Others . . . . .	25,220:	-	39,992:	42,316:	-	39,602:	-
Total . . . . .	404,298:	132,065:	328,476:	419,966:	362,083:	1,002,978:	887,197
Asia:							
Ceylon . . . . .	40,555,454:	41,901,697:	46,045,346:	39,428,999:	43,538,874:	48,317,529:	44,312,973
Federation of Malaya . . . . .	46,784:	4,732:	-	4,392:	17,840:	86,309:	163,814
Hong Kong . . . . .	129,880:	172,055:	250,953:	421,706:	307,777:	431,631:	205,168
India . . . . .	37,263,092:	31,669,984:	26,978,258:	29,920,695:	27,676,070:	24,769,485:	26,617,857
Indonesia . . . . .	11,129,497:	12,137,885:	13,769,862:	15,352,385:	13,848,048:	15,226,347:	15,095,258
Iran . . . . .	25,178:	-	8,650:	139,945:	5,091:	22,440:	-
Japan . . . . .	4,015,961:	3,539,452:	3,030,987:	2,972,889:	2,481,714:	2,421,064:	2,072,166
Pakistan . . . . .	277,727:	65,382:	230,386:	1,515:	94,204:	89,431:	45,274
Singapore . . . . .	-	-	-	9,037:	18,401:	-	13,448
Taiwan . . . . .	3,128,482:	4,108,662:	4,769,852:	6,106,164:	6,156,041:	8,131,404:	6,004,414
Others . . . . .	638,531:	11,594:	-	16,397:	10,868:	12,740:	-
Total . . . . .	97,210,586:	93,611,443:	95,084,294:	94,374,124:	94,154,928:	99,508,380:	94,530,372
Africa:							
British East Africa . . . . .	2,104,264:	3,072,208:	2,347,778:	3,466,101:	4,596,008:	5,303,780:	6,037,735
Mauritius . . . . .	2,550:	12,558:	12,365:	-	28,291:	-	-
Mozambique . . . . .	2,596,213:	1,230,764:	908,668:	471,519:	1,179,468:	1,324,189:	2,254,044
Republic of the Congo . . . . .	20,810:	165,536:	502,026:	421,845:	469,011:	985,700:	376,585
Fed. of Rhodesia & Nyasaland . . . . .	30,721:	207,573:	142,917:	232,842:	430,142:	755,951:	1,023,240
South Africa, Rep. of . . . . .	29,429:	12,317:	-	37,826:	178,807:	24,028:	100,187
Others . . . . .	134,228:	-	-	-	-	-	-
Total . . . . .	4,918,215:	4,700,956:	3,913,754:	4,630,133:	6,881,727:	8,393,648:	9,791,791
Grand total . . . . .	103,462,464:	100,523,541:	102,228,378:	103,418,388:	109,683,975:	115,171,590:	109,337,141

<sup>1/</sup> Preliminary.

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WASHINGTON 25, D. C.

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TEA: World net exports, average 1950-54, annual 1958-1961

Continent and country of origin	Average 1950-54	1958	1959	1960	1961 <u>1/</u>
	1,000	1,000	1,000	1,000	1,000
	pounds	pounds	pounds	pounds	pounds
Asia:					
Ceylon. . . . .	322,916	410,773	383,495	409,784	425,700
China . . . . .	26,600	101,412	85,979	88,184	99,200
Federation of Malaya. . . . .	2,031	4,333	4,760	5,138	5,400
India . . . . .	443,299	505,961	472,475	430,147	452,497
Indonesia . . . . .	75,286	85,856	73,453	86,407	83,775
Japan . . . . .	24,187	16,649	17,701	22,304	17,749
Pakistan . . . . .	28,044	12,688	12,900	4,078	13,000
Taiwan. . . . .	23,672	26,295	31,685	25,214	31,376
Viet-Nam (South). . . . .	714	2,460	2,700	3,000	3,000
Total Asia. . . . .	946,749	1,166,427	1,085,148	1,074,256	1,131,697
Africa:					
Congo, Republic of the. . . . .	336	4,589	7,059	7,633	7,000
Kenya . . . . .	10,255	20,190	21,107	23,992	21,894
Mauritius. . . . .	96	776	1,023	466	800
Mozambique. . . . .	7,505	15,221	17,608	18,068	21,836
Tanganyika. . . . .	2,279	5,240	6,019	7,078	7,086
Federation of Rhodesia & Nyasaland. . . . .	15,220	20,880	22,448	24,399	30,100
Uganda. . . . .	2,852	5,987	7,370	8,649	8,499
Total Africa. . . . .	38,543	72,883	82,634	90,285	97,215
South America:					
Argentina . . . . .	n.a.	388	1,631	6,652	11,086
Brazil. . . . .	797	911	1,759	1,664	1,700
Peru. . . . .	36	31	2	44	55
Total South America . . . . .	833	1,330	3,392	8,360	12,841
World total . . . . .	986,125	1,240,640	1,171,174	1,172,901	1,241,753

1/ Preliminary.

Foreign Agricultural Service. Official publications of Foreign governments, reports of Agricultural Attaches and other U. S. representatives abroad, and other information.